

Message Text

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64

ACTION EB-11

INFO OCT-01 ARA-16 ADP-00 STR-08 AGR-20 OPIC-12 COME-00

OMB-01 TRSE-00 XMB-07 AID-20 CIAE-00 INR-10 NSAE-00

RSC-01 RSR-01 /108 W

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R 022005Z AUG 73

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 6806

LIMITED OFFICIAL USE PORT AU PRINCE 1317

E.O. 11652: N/A

TAGS: ETRD, EIND, HA

SUBJ: STATUS OF I.S. JOSEPH NEGOTIATIONS WITH GOH

REF: PORT AU PRINCE 0913

1. BURTON JOSEPH, PRESIDENT OF I.S. JOSEPH COMPANY (JOSCO), CALLED ON CHARGE AUGUST 2 FOLLOWING TWO HOUR CONVERSATION WITH COMMERCE MINISTER FOURCAND, UNDER-MINISTER ADE, AND HAITIAN AMBASSADOR TO US CHALMERS REGARDING RENEGOTIATION OF OIL EXTRACTION FACILITY CONTRACT. JOSCO CURRENT PROPOSAL INCORPORATES TWO NEW ELEMENTS: ARBITRATION CLAUSE, AND RESERVATION OF COMMITMENT TO THE PROJECT ONLY ON BASIS OF OPIC ACCEPTANCE OF INSURANCE AND FINANCING FROM OPIC OR OTHER INTERNATIONAL LENDER. SUCH TERMS APPARENTLY ACCEPTABLE TO GOH, BUT FOURCAND INSISTED ON MAJOR MODIFICATION OF PROPOSED EQUITY ARRANGEMENT WHEREBY GOH WOULD INVEST \$200,000 OF \$1 MILLION TOTAL EQUITY CAPITAL, BUT WOULD RETAIN ORIGINAL 35 PERCENT EQUITY. JOSCO WOULD INVEST \$800,000 INSTEAD OF ORIGINAL \$650,000 AND WOULD RETAIN ONLY 65 PERCENT EQUITY. JOSEPH REPORTED HE INFORMED FOURCAND THAT HE CONSIDERED THIS AN UNFAIR ARRANGEMENT, BUT WOULD CONSULT WITH BOARD OF DIRECTORS AND COUNSEL AND REPLY TO FOURCAND WITHIN TWO WEEKS.

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2. SECOND SUBJECT OF JOSEPH/FOURCAND DISCUSSION INVOLVED

SERIOUS SHORTAGE OF EDIBLE OIL IN HAITI AS RESULT OF US
EMBARGO ON SOYBEAN OIL EXPORTS. FOURCAND URGENTLY REQUESTED
JOSEPH ATTEMPT TO OBTAIN PERMIT FOR SALE AND EXPORT OF
3,000 TONS FULLY REFINED SOYBEAN OIL AND 2,000 TONS TALLOW
FOR SHIPMENT ASAP TO AVOID EMERGENCY SITUATION. FOURCAND
UNDERLINED URGENCY OF REQUEST BY EMPHASIZING THAT GOH WOULD
PURCHASE OIL FOR ITS OWN ACCOUNT, DISTRIBUTE OIL DIRECTLY TO
CONSUMERS, AND WAIVE THE NORMAL 2 PERCENT CONSULAR FEE ON
SHIPMENT. JOSEPH ASKED EMBASSY TO REQUEST DEPARTMENT
ASSISTANCE IN APPLICATION FOR EXPORT PERMIT ON GROUNDS OF
EMERGENCY.
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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: golinofr
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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EO Systematic Review
30 JUN 2005

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